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Spotlight ON FOREIGN MARKETING



TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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TOKYO FOOD FESTIVAL

Immediate sales at the April 5-21 U.S. food and agricultural exhibition in Tokyo exceeded \$2 million with expectations of many additional follow-up sales during the next few months. These included sales at the exhibition and at in-store promotions, running concurrently with the show.

Representatives of the twelve states exhibiting in the Hall of States reported good sales of new and established food products from their areas. Colorado was enthusiastic about the prospects of selling high quality beef within existing quotas, and got orders for 5,000 metric tons of millet. Iowa sold lots of popcorn, Maryland sold corn meal for snacks and negotiated sales of feather meal and peanut oil, and North Carolina reported good soybean sales.

Prune exhibitors reported the best response ever at Tokyo. Bean soup was eagerly accepted and many samples of U.S. chicken and turkey were devoured by the exhibit visitors. The Japanese tobacco monopoly produced a special cigarette for distribution to the crowds attending the exhibit.

Paper dresses were a big hit. They lasted through eighteen performances at the style show and were reported to still be in good condition. A Tokyo de-



Part of the crowd attending the 17-day American Foods Festival on the Harumi Pier in Tokyo Bay. About \$2 million worth of U.S. food and agricultural products were sold during the exhibit.

partment store wants to place a large order for paper dresses to use in a June gift promotion.

Ninety-five interested Americans joined a USDA Tokyo Trade Fair Tour to the exhibit and later toured several Japanese cities.

Secretary Freeman led a Far East Agricultural Mission to Japan, Korea, and Taiwan, with Governors from a number of states, Congressmen and USDA officials. The Secretary opened the Tokyo exhibit and made several important policy speeches while in the Far East.

TRADE TEAM EVALUATIONS

Trade teams continue to be one of the most effective techniques of the agricultural export promotion program.

Last fall the Feed Grains Council and FAS co-sponsored two teams from Italy to study beef and swine production in the U.S. The results of these missions are detailed in a report by Romano Graziani, Director of the Feed Grains Council Rome office.

The Beef Team

One of the team members has written seven articles on U.S. agriculture, livestock production and feeding methods appearing in newspapers and agricultural magazines with a combined circulation of 1,500,000. Four other team members are setting-up U.S. type feed lots with capacities ranging from 1,000 to 2,000 head. Another team member, the co-owner of a feed mill, is now moving to large scale beef cattle production.

The Swine Team

A 15-page article on U.S. swine production methods by a member of the team appeared in the leading magazine on swine production in Italy. The magazine has a circulation of 700,000. Other members, including one with plans for producing 20,000 pigs for the fresh pork market this year, have instigated vast changes in their feeding programs which will mean an expanded market for U.S. feed grains. Another member of the team, the president of a butcher's cooperative, is following the lead of U.S. marketing by working for increased volume and reduced prices at his retail outlets.

TRANSPORTATION PROGRAM

R. L. Beukenkamp has been appointed Department of Agriculture representative for the International Transportation Task Force of the Transportation Facilitation Committee, a group of government and transportation industry officials who will direct efforts to simplify the movement of people and goods.

Beukenkamp will be assisted by Joseph A. Ryan, Director of the FAS Ocean Transportation Division.

In announcing plans for the committee, Secretary of Transportation Alan S. Boyd said, "We need a joint government-industry attack on the mountains of paperwork and on those government and business requirements which hamper our transportation systems and discourage the unrestricted movement of passengers and freight. This committee will be an effective vehicle for launching this attack," he said.

The word "facilitation" refers to elimination of obstacles in the procedures, practices and documentation in the movement of passengers and cargo.

SPOTLIGHT AWARD

Spotlight received recognition at the FAS Incentive Awards Ceremony, April 23, through an award to Lloyd R. Williams, "For outstanding leadership and demonstrated excellence in organizing and developing a newsletter (Spotlight on Foreign Marketing) to help improve communications within the export market development program."



"Husker," a prize Hereford bull from the LBJ Ranch, a gift of President Johnson to President Gustavo Diaz Ordaz for the people of Mexico, was presented April 19 at the Mexican National Livestock Show. Backstopping "Husker" at the presentation ceremonies are (Left to Right) U.S. Ambassador Fulton Freeman, Secretary Freeman, Mexican Secretary of Agriculture Juan Gil Preciado, and LBJ Ranch Manager Dale Malechek. The bull will be used in an artificial breeding program for upgrading Mexican cattle. 1,182 head of U.S. livestock were sold at the Show. 12 U.S. breed associations participated.

AMERICAN FARMERS AND THE EXPORT MARKET

Assistant Secretary of Agriculture Dorothy H. Jacobson was one of the main speakers at the President's 2nd Annual Farm Policy and Rural Life Conference at the State Department in Washington.

In evaluating the role of export markets in an effective farm program, Mrs. Jacobson said:

"Since 1960, we have pushed total agricultural exports upward from \$4.5 billion to almost \$7 billion. During that period, commercial exports--sales for dollars--climbed from \$3.2 billion to \$5.2 billion, a gain of 62 percent. . .

"One reason for the recent increase in agricultural exports can be found in

our vigorous market expansion and market promotion program. Even in a period when utmost economy is called for, dollars spent efficiently for international agricultural intelligence and for effective market development will bring substantial returns. . .

"This greatest potential market in the world will come to life only as the people achieve higher levels of living, as they gain incomes high enough to enable them to buy. This is why our programs to assist and encourage economic growth in the newly developing Nations are imperative if we are to do our best to assure American farmers of a continually expanding export market. This is why our Food for Freedom program, as it is now directed, is an important part of our market development program."

PLYWOOD ASSOCIATION OPENING LONDON OFFICE

The American Plywood Association is opening an office in London this month headed by Bran Oberg as Senior International Representative. The office will serve promotions in the U.K., Denmark, and The Netherlands.

Oberg is a forestry graduate of the University of Washington, and prior to joining the APA about 12 years ago, was employed by an industry producer. Most recently, Oberg was the APASan Francisco regional manager.

Hans-Heinrich Gedrath, the APA representative for central Europe, died suddenly this April. His replacement has not yet been named.

The APA also has an office in Tokyo headed by William Hayakawa, a Japanese American with nearly 20 years experience in plywood and lumber products.



Meeting of Secretary Freeman and FAS and cooperator representatives with top officials of the Japanese Tobacco Monopoly in Tokyo, April 8. Freeman expressed appreciation for the wonderful cooperation of the monopoly in more than a decade of market development work. When the tobacco program in Japan started about 10 years ago, 30 percent of the sales volume contained American leaf. Today that figure is 50 percent.

OREGON EXPORT SURVEY

Organizing for International Marketing is the subject of a recent survey of 74 Oregon export firms by Oregon State University.

Excerpts from the section on agriculture and food processing follow:

"In the majority of cases, Oregon agricultural exporters deliberately sought foreign markets through trade contacts, governmental assistance from U.S. Departments of Agriculture and Commerce, and commercial avenues. In some cases, agricultural marketers developed overseas markets to gain outlets for grades, types, or varieties of produce which were not readily acceptable in the domestic market. This is particularly true of fresh apples and pears..."

"Nineteen out of 23 agricultural firms surveyed sold directly to the

foreign distributor, wholesaler, or in some cases retailers, in some or all of their export markets. Eight firms sold through independent foreign agents or sales representatives. Many firms used both methods, depending on the particular market...

"The trend to direct sales is also prompted by developments in export market outlets. R. E. Eades, manager of marketing for Diamond Fruit Growers, reports that large cooperative buying groups are being formed in the Scandinavian countries. These buying groups insist on direct purchases from the shipping point and buy in large quantities. In consequence, agents and other traditional middlemen are diminishing in importance as factors in the distribution system..."



Susan Holder (Left), the 1968 Maid of Cotton, and her chap-erone Estelle Heard; member of the American Foods Festival staff, with a statue of Buddha in Tokyo. The girls are wearing cotton kimonos given them by the Japan Wholesale Fabric Association. Susan and her cotton gowns were a highlight of the American Foods Festival style shows.



U.S. Choice beef was one of the hits at the American Foods Festival. Shown sampling the product are (Left to Right) D. Ogawa, president of the All Japan Meat Council; Dr. K. Kojima, chief, Meat and Poultry Section, Ministry of Agriculture and Forestry; J. Nakazawa, chairman, Japan Meat Council; and K. Amai, president, Young Japanese Meat Dealers. The hostess is Mary Lou Chapman of the Colorado state delegation. The Japanese were quite enthusiastic about the qualities of the beef and an expanding market is indicated.

"The role of the Japanese trading company is of particular interest to the Oregon exporter. Japan is the major customer for U.S. farm products, and top customer for all Oregon products, accounting for 32 percent of exports through the Oregon Customs District in 1966. Approximately 90 percent of Japan's international trade is handled through trading companies, which often have branches throughout the world."

RISE IN BREAD DOUGH SALES FORECAST IN U.K.

An example of a successful follow-up to a trade fair exhibit comes in a report from Dave Hume, agricultural attache in London.

Bridgford Foods, a U.S. manufacturer of frozen bread dough, was one of the exhibitors at the January 9-18

Hotelympia Exhibition in London. The product created considerable interest at the U.S. exhibit and over 300 trade inquiries resulted. W. B. Pellew-Harvey & Co. Ltd. was subsequently appointed as the U.K. agents for the frozen bread dough.

Last month the Pellew-Harvey Company contacted our Trade Center staff requesting assistance in introducing the product to the trade. Facilities at the Trade Center were provided for a meeting and demonstration of the new product to U.K. food distributors.

About 50 tradesmen and other special guests attended the meeting. The response was enthusiastic with many, including food retailers of high class stores such as Harrods, expressing interest in selling the product. Based on reactions of the distributors it appears that, with product promotion and a few slight alterations in the recipe to suit the British taste, frozen bread dough will become a "best seller" in the United Kingdom.

SOYBEAN TECHNICAL DIRECTOR APPOINTED FOR MADRID

Robert M. Starr has accepted the position of Technical Director for the Soybean Council Servicing Office in Madrid. He will be taking over his new duties about June 1.

Starr comes to the Council from Honeyamead Products Company in Mankato, Minnesota, where he directed activities in analytical control, experimentation, research and development and the preparation of public service brochures.

He is a member of the American Oil Chemists Society and has served on national committees for Crude Fibre and Dispersible Protein, Neutral Oil Loss, Industrial Oils and Derivatives and Hydrogenated Oils.



HERE and THERE

Gene Vickers, Wheat Associates, is the 1968 chairman of the Washington, D.C. market development Cooperator Council. *Joe Parker* of the International Trade Development Board is the vice chairman. The Council meets frequently with FAS to discuss market development program policy and related problems.

John Ward, previously in charge of the Soybean Council Rome office, is to become the director of its Supervision and Servicing Office in Madrid.

George Wood, program coordinator, Wheat Associates, will be replacing *Winn Tuttle* as director of the WA Taipei office. *Winn* has been in Taiwan for about two years organizing a wheat market development program. One of the projects is a Taiwan Food Bureau 3-year educational program for training farm housewives in the preparation of Chinese style wheat foods. The Taiwanese government plans to have 500 home economists teaching their traditional rice eaters the economy, healthfulness and enjoyment of foods prepared from U.S. wheat.

The KOMA-North In-Store promotion in Germany last November 9-18 produced sales of \$195,157 for 15 American foods. Sales increases for these foods since the promotion took place have ranged from 2.4 to 49.2 percent. The firm's report states, "The sales figures prove that this was successful to a high degree and we will continue together with the KOMA retailers to use our influence to further the sale of American agricultural products."

James Doty, cereal chemist and owner of Doty Laboratories, is on a 60-day trip to Western Europe and the Scandinavian countries supplying technical assistance to flour millers under an educational project of Great Plains Wheat. U.S. Hard Winter wheat is now meeting stiff competition from Australian and Russian wheats, and Doty's primary purpose will be to demonstrate the advantage of U.S. Hard Winter and Spring wheats.

The first men's style show in London, February 28, featured cotton and other natural fibers. The show was held in the Banqueting House, Whitehall, the former London palace of British sovereigns. It was the first commercial show in this hall since it was built in 1619. Four hundred men and women, all in formal dress, including attache Dave Hume and Lord Brown, Head of the British Board of Trade, witnessed the ceremonies. The International Institute for Cotton and other natural fiber associations got together with the British Menswear Guild to sponsor the event.

The Commodity Credit Corporation export credit sales program for beef breeding cattle is being expanded to include dairy cattle. Additional sales of U.S. livestock are expected to result. Under the CCC program, CCC finances the export of agricultural commodities up to a maximum of three years.

Chet Randolph, American Soybean Association, now has 127 radio stations broadcasting his reports on ASA activities. Some of these are being taped in Japan. All major soybean states are covered including Iowa, Missouri, Kansas, Illinois, Indiana, Ohio, Kentucky, Louisiana, Minnesota, Mississippi, North and South Carolina, and Texas.

U.S. agricultural exports for July-February 1967/68 totaled \$4,289 million, 7 percent below the \$4,626 million in the same period of 1966/67. Exports of animals and animal products, cotton, and grains and preparations accounted for the bulk of the decline, although all commodity groups were down slightly from a year ago.

A new Cargill/Traday soybean crushing plant has begun operations in Amsterdam. The plant has an annual capacity of about 300,000 metric tons (about 11 million bushels). It is currently working at about 75 percent of capacity but is expected to move to full operating capacity within a few months.

Recent agricultural attache assignments include John R. Wenmohs from Hong Kong to Vienna, Robert M. McConnell from assistant agricultural attache in Lima to agricultural attache in the Dominican Republic, and Gordon Lloyd from assistant agricultural attache in Ottawa to the same position in Buenos Aires.

The Michigan Bean Shippers Association has a stack of interesting letters from the European canners who visited the Association and its bean industry this March. A number indicated they had been converted to Michigan beans.

New sandwich ideas, using bread from U.S. wheat, are now being promoted in full color ads by Kraft cheese in the Philippines. This bonus developed out of a Wheat Associates booklet "Sandwich Ideas with Filipino Foods," seen by the Kraft people at the WA booth at the U.S. Fine Foods Show last November.

Turkey for Christmas was featured in advertisements of the Institute of American Poultry Industries in three leading West German women's magazines. The ads carried a coupon offering a brochure that showed how to prepare turkey and the qualities that make it a suitable holiday meal. At last count about 30,000 coupons had been received.

The Lard Information Bureau in London is pleased by the success of a half-page ad for American lard by the VG food chain. According to the Gallup Readership Index 61 percent of the women readers noticed the ad. Most important, VG's lard sales increased about 100 percent.

Jan J. Mertens, Overseas Director, National Canners Association, has moved his office from Brussels to 32, Oudaan, Antwerpen 1, Belgium. The phone number is (03) 31.85.56. Jan writes that "The premises are situated near the Police Center." Good Luck, Jan!

Recent effects of preferential trade agreements are reviewed in a recently published USDA report. The report analyzes the situation for the EEC, UK, Japan, Latin American Free Trade Association, and the Central American Common Market. Single copies of "Preferential Trade Arrangements of Foreign Countries," are available by writing the Office of Information, USDA, Washington, D.C. 20250.